

LEADERSHIP
FOR LACIEN AFFAIRS
APR 22 1954
ASSISTANT SECRETARY
Department of State

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DEPARTMENT OF STATE A/CDC/MR
DEPARTMENT OF STATE
REVIEWED BY *P. G. [illegible]* DATE *4/13/54*

Memorandum of Conversation

DATE: April 8, 1954

EXCISE

SUBJECT: Deterioration of Morale and Political Climate on Formosa

PARTICIPANTS: Mr. W. H. Worrilow, Jr., General Sales Manager
Lebanon Steel Foundry, Lebanon, Pennsylvania
Mr. Edwin W. Martin, CA
Mr. David L. Osborn, CA

Action Assigned to *CA*

Action Taken *11/2/54*

COPIES TO: FE - Mr. Drumright
G - Mr. Goodyear
R - Mr. Howe

CA - 3
OLI - 2
HD - 1

Direction to DC/R

4/26
CA/P
DLO
file

733.00/4-854

CC
793.00/4-854
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Mr. Worrilow, whose knowledge of and interest in Chinese affairs dates from his wartime experience in Burma with the Chinese New First Army, has been kept up to date on recent developments in China through his contacts with a Chinese Major now attending a motor transport course at Fort Sill, formerly aide to General Sun Li-jen and before that an interpreter for Mr. Worrilow's outfit in Burma. Mr. Worrilow has also recently had a conversation with K. C. Wu in Evansville.

Mr. Worrilow accepts as accurate the views of K. C. Wu about the trend towards authoritarianism in the Government of the Republic of China, and he stressed the adverse effects on military morale of the "political commissar" system, et

Mr. Martin assured Mr. Worrilow that the Department was well-informed about such substance as exists in the charges of K. C. Wu and others about authoritarianism in Formosa; that reports have been received giving both sides of the picture, and that the United States was not sitting by with folded arms. He noted that the political officer system in the Chinese armed forces has good as well as bad features, and that MAAG was doing its best to eliminate the bad features. DC/R

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As to the question of Chiang Ching-kuo's succession to the Presidency, Mr. Martin pointed out the existence of limits beyond which the United States cannot go in interfering in the internal affairs of foreign countries. Within those limits, however, the influence exerted by the United States is considerable. Further, the considerable influence exerted by such anti-authoritarian Chinese figures as Sun Li-jen, Ch'en Ch'eng, George Yen, Wang Shih-chieh, Hu Shih, and others should not be underestimated, nor should Chiang Kai-shek's continued vitality.

Mr. Martin thanked Mr. Worrilow for the expression of his views and assured him that these views would help round out the Department's picture of a complex but not wholly unpromising situation.

With regard to Mr. Worrilow's suggestion that General Sun Li-jen be brought to the United States, through forceful representations to the Government of the Republic of China, if necessary so that Sun might speak freely about conditions in Formosa. Mr. Martin said that General Sun was in the habit of expressing his views without restraint to American officials in Formosa, and intimated that it would not be desirable from the United States standpoint to have General Sun follow in K. C. Wu's footsteps. These considerations, in addition to that of Chinese jurisdiction over its internal affairs, would make it unwise as well as unnecessary for the United States to insist on a visit by Sun.

FE:CA:DL:osborn:ek
4/20/54

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